

Cadence Capital Limited was down 0.3% in May, outperforming the All Ordinaries Accumulation Index by 2.8%. Year to date the fund is up 7.2%, outperforming the All Ordinaries Accumulation Index by 5.1%. Over the past two years the fund is up 24.0% per annum, outperforming the All Ordinaries Accumulation Index by 7.3% per annum. For May the top contributors to performance were Terracom, Whitehaven Coal, Schlumberger, New Hope and Stanmore Coal. The largest detractors from performance were Tietto Minerals, Flight Centre Travel Group and Johns Lyng Group. As at 31 May 2022, the Company was 64.8% invested (35.2% cash and equivalents).

Recent sector trends persisted through May with energy remaining the clear leader while small capitalisation and 'growth' style equities led the rest of the market lower. The RBA joined its international peers in raising interest rates by 0.50% early in June and signalled further increases ahead. The trajectory of higher inflation and interest rates is a significant headwind for risk assets, just as low inflation and interest rates has benefitted markets over the past 30 years. The fund's high weighting to energy continues to deliver strong returns for investors, while high cash levels and a larger short book also aided performance.

Fully Franked Half Year Dividend

The Company's 4 cents per share fully franked half year dividend was paid on the 14 April 2022. This interim dividend equated to an 8.2% annualised fully franked yield or a 11.7% gross yield (grossed up for franking credits) based on the share price on the date of the announcement of \$0.98 per share. Importantly this equated to a 7.2% dividend yield based on pre-tax NTA, as the Company shares are currently trading at a discount to NTA despite the fund's recent strong performance and a 16-year track record of significant outperformance against the All Ordinaries Accumulation Index. After paying this dividend the Company still has 30 cents per share of profits reserves to pay future dividends.

Quarterly Audiocast

As the portfolio has changed substantially over the past 6 months, if you have not done so already, we strongly recommend that you watch the [March 2022 Quarterly Audiocast](#). In this audiocast Karl Siegling firstly provides an update on the Company's performance, fully franked interim dividend, portfolio composition and the funds current cash levels. Charlie Gray and Jackson Aldridge then discuss some of the company's investment themes and its positions held in AGL, AMP and 5 coal stocks. Karl Siegling finishes with an update on the outlook for 2022.

Fund NTA

Net Tangible Assets as at 31st May 2022	Amount (\$)
Pre Tax NTA	\$1.071
Post Tax NTA	\$1.186
Share Price (ASX Code: CDM)	\$0.930

Fund Gross Performance

Gross Performance* to 31st May 2022	CDM	All Ords Accum	Outperformance
1 Month	-0.3%	-3.1%	+2.8%
YTD	7.2%	2.1%	+5.1%
1 Year	10.9%	4.7%	+6.2%
2 Years (per annum)	24.0%	16.7%	+7.3%
3 Years (per annum)	11.8%	8.5%	+3.3%
5 Years (per annum)	6.8%	9.3%	-2.5%
10 Years (per annum)	8.5%	10.5%	-2.0%
Since Inception (16.7 years) (per annum)	12.6%	7.3%	+5.3%
Since Inception (16.7 years) (total return)	626.5%	222.1%	+404.4%

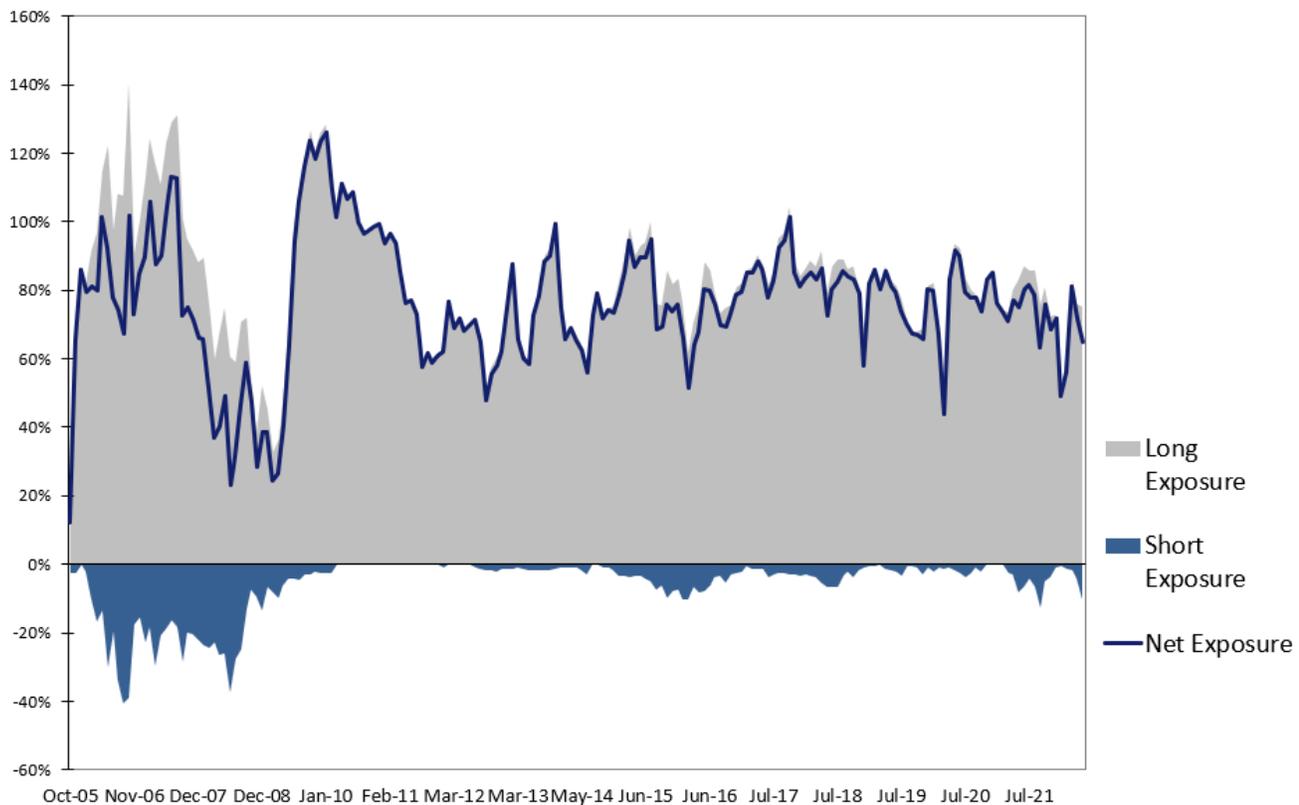
* Gross Performance: before Management and Performance Fees

Franked Dividends Declared Since Listing

Calendar Year	Interim	Final	Special	Total	Gross (Inc. Franking)
2007	2.0c	2.0c	2.0c	6.0c	8.6c
2008	2.5c	2.2c*	-	4.7c	5.8c
2009	-	2.0c	-	2.0c	2.9c
2010	2.0c	2.0c	-	4.0c	5.7c
2011	3.0c	3.0c	3.0c	9.0c	12.9c
2012	4.0c	4.0c	4.5c	12.5c	17.8c
2013	5.0c	5.0c	1.0c	11.0c	15.7c
2014	5.0c	5.0c	-	10.0c	14.3c
2015	5.0c	5.0c	1.0c	11.0c	15.7c
2016	5.0c	4.0c	-	9.0c	12.9c
2017	4.0c	4.0c	-	8.0c	11.4c
2018	4.0c	4.0c	-	8.0c	11.4c
2019	3.0c	2.0c	-	5.0c	7.1c
2020	2.0c	2.0c	-	4.0c	5.7c
2021	2.0c	3.0c	-	5.0c	7.1c
2022	4.0c	-	-	4.0c	5.7c
TOTAL	52.5c	49.2c	11.5c	113.2c	160.7c

* Off market Equal access buy back

Historic Portfolio Exposure



Portfolio Sector Analysis

Sector	Long	Short	Net
Energy	35.6%		35.6%
Basic Materials	21.5%	-0.5%	20.9%
Consumer, Non-cyclical	4.6%	-1.5%	3.2%
Financial	3.7%	-1.0%	2.7%
Utilities	3.1%		3.1%
Communications	2.2%		2.2%
Industrial	1.9%	-1.5%	0.4%
Consumer, Cyclical	1.8%	-2.4%	-0.6%
Technology	0.8%	-1.3%	-0.5%
Retailing		-1.3%	-1.3%
Software & Services		-0.8%	-0.8%
	75.1%	-10.3%	64.8%

Net Cash Holdings and Tax Asset	35.2%
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Top 20 Portfolio Positions

Code	Position*	Direction	Currency Exposure
AGL	AGL Energy Ltd	Long	AUD
AKE	Allkem Ltd	Long	AUD
AMP	AMP Ltd	Long	AUD
BHP	BHP Group Ltd	Long	AUD
BOE	Boss Energy Ltd	Long	AUD
CIA	Champion Iron Ltd	Long	AUD
CRN	Coronado Global Resources	Long	AUD
FLT AU	Flight Centre Travel Group	Long	AUD
LTHM US	Livent Corp	Long	AUD
MRO US	Marathon Oil Corp	Long	AUD
MEG CN	MEG Energy Corp	Long	AUD
NHC	New Hope Corp Ltd	Long	AUD
RMC	Resimac Group Ltd	Long	AUD
STO	Santos Ltd	Long	AUD
SLB US	Schlumberger Ltd	Long	AUD
SGM	Sims Ltd	Short	AUD
SMR	Stanmore Coal Ltd	Long	AUD
TER	Terracom Ltd	Long	AUD
WEB	Webjet Ltd	Long	AUD
WHC	Whitehaven Coal Ltd	Long	AUD

* In Alphabetical Order

Portfolio Market Capitalisation Analysis

Market Capitalisation	Long	Short	Net
> AUD 1 Billion	63.9%	-9.8%	54.1%
AUD 500 Mill - AUD 1 Billion	7.7%	-0.5%	7.2%
AUD 250 Mill - AUD 500 Mill	2.8%		2.8%
AUD 100 Mill - AUD 250 Mill	0.8%		0.8%
0 - AUD 100 Mill	0.0%		0.0%
	75.1%	-10.3%	64.8%
Net Cash Holdings and Tax Asset			35.2%

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